

Non-Binding Convenience Translation from the German Language

Articles of Association

of

SQS Software Quality Systems AG

III.
General Provisions

§ 1

Name, Registered Office, Fiscal Year

1. The name of the company is

SQS Software Quality Systems AG
2. The company has its registered office in Cologne.
3. The fiscal year is the calendar year.

§ 2

Objects of the Company

1. The company's objects are the counseling of, cooperation in, and performance of projects for improvement and development of information and communication systems (including quality assurance). Moreover, the company manages a group of companies active in the aforementioned areas of business. This includes the incorporation, acquisition and sale of companies as well as the holding of interests in businesses located in Germany and/or foreign countries.
2. The company is authorized to engage in all transactions relating to the objects of the company or suitable to serve them directly or indirectly. The company may establish branch offices and may outsource or assign its business in whole or in part to affiliated companies.

§ 3

Notifications

1. Notifications of the company shall be published exclusively in the electronic Federal Gazette (*elektronischer Bundesanzeiger*).
2. Information to the shareholders of the company may also be communicated by way of remote data transmission.

**IV.
Share Capital and Shares**

§ 4

Share Capital

1. The share capital of the company amounts to EUR 27,263,419 (in words: twenty seven million two hundred sixty three thousand four hundred nineteen Euros) and is divided into 27,263,419 non-par value shares. The shares are registered shares.
2. The shareholders are not entitled to request that share certificates or dividend certificates are issued. The company is entitled to issue share certificates representing single shares (*Einzelaktien*), accumulative shares (*Sammelaktien*) or all shares (*Globalaktie*). The management board, subject to the approval of the supervisory board, shall determine the form and content of the share certificates as well as possible dividend and renewal certificates.
3. EUR 521,460 of the stated share capital have been paid in as contribution in kind (*Sacheinlage*) in the course of the transformation pursuant to Sections 190 et seq. of the German Company Transformation Act (*Umwandlungsgesetz*) of SQS Gesellschaft für Software-Qualitätssicherung mbH (commercial register at the local court of Cologne, HRB 12764) into SQS Software Quality Systems AG.
4. The management board, with the consent of the supervisory board, is authorized to increase the share capital by up to EUR 9,378,701 by April 30, 2014, through the issuance of new registered non-par value shares against cash and/or non-cash contributions one or several times ("Authorized Capital 1") and, in this context, pursuant to Section 21 para. 2 of the Articles of Association, to determine a profit participation that deviates from the statutory provisions. The management board, with the consent of the supervisory board, is authorized to exclude the shareholders' subscription right in the following cases:
 - (i) to exclude residual amounts from the shareholders' subscription right;
 - (ii) in the case where the execution of the capital increase is against non-cash contributions for the purpose of (a) the acquisition of companies, parts thereof or interests in companies or other assets, or (b) mergers or (c) the contribution of receivables which relate to the acquisition of companies, parts thereof or interests in companies or other assets or to mergers; and

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- (iii) in the case where the execution of the capital increase is effected against cash contributions and the issue price of the new shares is not significantly lower than the stock market price of the shares or Depositary Interests or other instruments substituting the shares which are traded at a domestic or foreign stock market and where the number of shares issued by way of exclusion of the subscription right does not exceed 10 % of the share capital at the time when the authorization becomes effective or is executed.

The management board, with the consent of the supervisory board, is furthermore authorized to determine the further details of the capital increase and the conditions for the issuance of the shares.

5. The management board, with the consent of the supervisory board, is authorized to increase the share capital by up to EUR 2,542,955 by April 30, 2014, through the issuance of new registered non-par value shares against cash and/or non-cash contributions one or several times ("Authorized Capital 2") and, in this context, pursuant to Section 21 para. 2 of the Articles of Association, to determine a profit participation that deviates from the statutory provisions. The shareholders' subscription right is excluded. The new shares may only be issued to grant shares to the employees of SQS Software Quality Systems AG and of its domestic and foreign affiliates (employee shares). When determining the issue price a discount of up to 30 % on the prevailing stock market price at that time of the shares or the Depositary Interests or other instruments substituting the shares which are traded on a domestic or foreign stock market can be granted.
6. The share capital is increased on a contingent basis by EUR 1,500,000 by way of issuance of up to 1,500,000 new registered non-par value shares (Contingent Capital 2). The contingent capital increase shall provide the basis for the issuance of subscription rights to employees and members of the management board of the company as well as employees and members of the management board of affiliated companies, whether in Germany or foreign countries, on the basis of the SQS Option Plan 2006 and in accordance with the shareholders' meeting as of 2 June 2006. The contingent share capital increase shall only be consummated if and to the extent that holders of options exercise their option rights. The new shares shall participate in the company's profits as of the beginning of the calendar quarter that follows the exercise of the option rights. The management board, subject to the approval of the supervisory board, is authorized to determine the further terms and conditions of the contingent share capital increase and its consummation.

II.
Organization of the Company

§ 5
Corporate Bodies of the Company

The corporate bodies of the company are:

- A. the management board
- B. the supervisory board
- C. the shareholders' meeting

A. Management Board

§ 6
Composition of the Management Board

1. The management board consists of at least two (2) members. Subject to this limitation, the supervisory board shall decide on the number of members of the management board and shall appoint them. The supervisory board also determines the remuneration of the members of the management board within the statutory limits.
2. The supervisory board may designate a chairman or spokesman of the management board as well as a vice chairman or a vice spokesman of the management board. Vice members of the management board may be appointed.

§ 7
Management

1. The management board shall be responsible for the management of the company. The management board shall decide on the internal allocation of responsibility areas and shall, subject to the approval of the supervisory board, adopt internal regulations for the management board, unless the supervisory board adopts such internal regulations. The internal regulations may provide that certain management action requires the approval of the supervisory board.

2. All members of the management board are jointly responsible for the entire management of the company. Each member of the board of management, however, shall manage the business area assigned to him at his sole responsibility, subject to the provisions of the internal regulations for the management board.
3. The management board shall decide by resolution about measures and transactions that, according to the law, the articles of association or the internal regulations of the management board, shall be decided on by resolution of the entire management board. The same shall apply to matters that exceed a business area or that cannot be attributed or assigned to one business area only or that are of material importance to the company.
4. Decisions of the management board are passed, unless otherwise provided by law, the articles of association or the internal regulations, by simple majority of the votes cast. Abstentions shall not be considered as votes cast. A tie of the votes shall mean the rejection of the respective motion.

§ 8

Representation of the Company

1. The company shall be represented by two members of the management board or by one member of the management board together with a holder of statutory power of attorney (*Prokurist*). If there is only one member of the management board, he/she shall represent the company alone.
2. The supervisory board may grant members of the management board the power to represent the company by sole signature and may release them from the restrictions of multiple representation of parties imposed by Section 181, second alternative, of the German Civil Code (*BGB*). Section 112 of the German Stock Corporation Act applies. The supervisory board may revoke such right to single representation as well as such release at any time.

B. Supervisory Board

§ 9

Composition, Term of Office, Resignation from Office

1. The supervisory board consists of three (3) members, namely two members to be elected by the general meeting and a member who will be elected according to the One Third-Participation Act (*Drittelbeteiligungsgesetz*).

2. Unless the shareholders' meeting resolves on a shorter term, the appointment of the members of the supervisory board shall have a term for the period until the end of the shareholders' meeting that resolves on the formal discharge (*Entlastung*) of the members of the supervisory board for the fourth financial year following the commencement of their term of office. The fiscal year in which the office begins shall not be taken into consideration. Re-appointments are admissible. The appointment of a successor for a member of the supervisory board leaving the board before the end of office shall be effective for the remaining period of office of the former member unless the shareholders' meeting decides otherwise. § 102 para. 2 of the German Stock Corporation Act remains in force.
3. The shareholders' meeting may appoint substitute members for the members of the supervisory board appointed by the shareholders' meeting.
4. The members and substitute members of the supervisory board may resign even without reasons by giving prior written notice of one month to the chairman of the supervisory board or the management board.
5. The members and substitute members of the supervisory board appointed by the shareholders' meeting may be dismissed before the end of their term of office without giving reasons by resolution of the shareholders' meeting with a simple majority of the votes cast.

§ 10

Chairman / Vice Chairman of the Supervisory Board

1. A meeting of the supervisory board shall automatically take place following the shareholders' meeting appointing the members and the substitute members (if any) of the supervisory board which need to be appointed by the shareholders' meeting; no formal calling of such supervisory board meeting is required. In this meeting, the supervisory board shall elect a chairman and a vice chairman from among its members for the term of office as set forth in § 9. In case of a resignation of the chairman or the vice chairman before the end of the term of office, the supervisory board shall promptly elect a successor for the remaining term of office of the former member.
2. The chairman of the supervisory board or - if he is not available - the vice chairman shall be entitled to make and to accept, in the name and on behalf of the supervisory board, all declarations necessary to carry out the resolutions of the supervisory board.

§ 11

Internal Regulations for the Supervisory Board

The supervisory board shall adopt its own internal regulations within the statutory limits and subject to the provisions and these articles of association.

§ 12

Calling of Meetings of the Supervisory Board

1. The supervisory board shall have a meeting once per calendar quarter and must have a meeting once per calendar half-year, unless otherwise required by mandatory law.
2. The chairman of the supervisory board or - if he is not available - the vice chairman shall call the meeting with two weeks' notice. The calling shall be made orally, in writing, by telefax or by modern telecommunications means (for instance by email). The day of mailing the calling and the day of the meeting shall not count in reckoning time. The chairman may reduce the required notice period in urgent cases. The chairman or - if he is not available - the vice chairman may cancel or postpone a meeting for good cause.
3. The invitation to the meetings shall include the agenda of the meeting. Amendments of the agenda shall be made not later than seven days prior to the meeting unless in urgent cases.
4. The statutory provisions of Section 110 German Stock Corporation Act (*AktG*) regarding the calling of a supervisory board meeting upon request of the management board or a member of the supervisory remain in force.

§ 13

Resolutions of the Supervisory Board

1. The supervisory board shall have a quorum if all members take part in the resolution. Member who abstain from voting shall be considered as having taken part in the resolution. An absent member of the supervisory board may participate in the resolution by having another member of the supervisory board hand in his written vote.
2. Resolutions of the supervisory board shall be adopted by a simple majority of the votes cast, unless otherwise required by law or these articles of association. Abstentions from voting shall not be considered as votes cast.

3. The chairman shall determine the order of discussing the agenda items as well as the method and order of the voting. Resolutions with regard to items of the agenda that were neither included in the invitation nor included in the agenda by a supplement pursuant to Section 12 para. 3 of these articles of association may only be passed if no member of the supervisory board objects to resolving on such issue.
4. As a general rule, the supervisory board shall pass its resolutions in meetings. Upon request of the chairman or - if he is not available - the vice chairman, resolutions of the supervisory board may also be taken outside meetings in writing, by telefax, telegraphically, electronically or telephone if all members agree to, and take part in, such voting procedure. Such resolution shall be recorded in writing by the chairman or the vice chairman and promptly forwarded to all members.
5. Minutes shall be taken for all meetings of the supervisory board, which shall be signed by the chairman or - if the vice chairman presided over the meeting - the vice chairman. The minutes shall state the place and date of the meeting, the participants, the agenda items, the main content of the discussions and the resolutions of the supervisory board.
6. Challenges of the validity of resolutions of the supervisory board may only be brought by filing legal action within one month upon knowledge of the resolution.

§ 14

Remuneration of the Supervisory Board

1. The members of the supervisory board shall receive an annual remuneration payable upon termination of the fiscal year which will be determined by resolution of the shareholders' meeting. The chairman of the supervisory board shall receive a remuneration increased by 25%.
2. The company shall reimburse necessary expenses to the members of the supervisory board upon presentation of receipts. Moreover, the company shall bear the costs of a legal costs and litigation insurance as well as a liability insurance that also covers the members of the supervisory board. The company shall reimburse VAT if the members of the supervisory board are entitled to, and do so, charge VAT to the company.

C. Shareholders' Meeting

§ 15

Place and Calling of the Shareholders' Meeting

1. The shareholders' meeting shall take place at the registered offices of the company or at a German stock exchange center or at a place within 50 km of the registered offices or such stock exchange center.
2. The shareholders' meeting shall be called by the management board.
3. The ordinary shareholders' meeting shall take place within the first eight months of each fiscal year. The ordinary shareholders' meeting shall, *inter alia*, take decisions with regard to the use of the profits shown in the financial statements of the last business year, the formal discharge (*Entlastung*) of the members of the supervisory board and the management board and the appointment of the auditor. Extraordinary shareholders' meetings shall be called if this seems necessary in the interest of the company or if the calling is requested by a minority of shareholders according to Section 122 AktG.
4. The calling of the shareholders' meeting shall be subject to the statutory timing requirements.
5. If all shareholders are present or represented and if no shareholder objects, the shareholders' meeting may take resolutions waiving all statutory requirements or requirements in these articles or other requirements regarding form and time limits.

§ 16

Participation in the Shareholders' Meeting

1. Those shareholders who are registered in the shareholders' register and who have timely registered for the shareholders' meeting are allowed to attend the shareholders' meeting and to cast their votes.
2. Registration for the shareholders' meeting shall be made in text form in German or English to the address stated in the invitation not later than seven days prior to the day of the shareholders' meeting.
3. More specific requirements and instructions for the registration shall be given in the invitation to the shareholders' meeting.

§ 17

Audio and Video Coverage of the Shareholders' Meeting

1. The shareholders' meeting may be transmitted by audio and video devices. Further details of such transmittal shall be determined by the management board, subject to the approval of the supervisory board as well as in the shareholders' meeting the approval of the chairman of the shareholders' meeting. If such transmittal is intended, the invitation to the shareholders' meeting shall state so.
2. Members of the supervisory board who are resident outside Germany or who cannot attend the shareholders' meeting in person due to other business matters may attend the shareholders' meeting by video and audio transmission. The chairman of the supervisory board shall decide on the specifics of such audio or video attendance.

§ 18

Chairman of the Shareholders' Meeting

1. The chairman of the supervisory board or, if the chairman is not available, the vice chairman or another member elected by the supervisory board, shall preside over the shareholders' meeting. In case neither the chairman of the supervisory board nor the vice chairman nor another member of the supervisory board presides over the shareholders' meeting, the chairman of the shareholders' meeting shall be elected by the shareholders' meeting under the direction of the most senior shareholder.
2. The chairman of the shareholders' meeting shall determine the order of the items of the agenda as well as the method and form of voting. The chairman furthermore determines the form and the further details of the ballots, including the kind of determination of the results, e. g. by subtraction of the yes- or the no-votes or the abstentions from the total of the votes that could be cast by the shareholders entitled to vote.
3. The chairman of the shareholders' meeting may adequately limit the right to debate of shareholders.

§ 19

Voting Rights and Resolution

1. Each share shall grant one vote in the shareholders' meeting.
2. The votes can be cast by representatives..

3. Unless mandatory statutory provisions require otherwise, shareholders' resolutions shall be passed with a simple majority of the votes cast and, if statutory law requires in addition to the majority of the votes also the majority of the represented share capital, with the simple majority of the share capital represented at the resolution. In the event of a tie, the resolution is deemed to be rejected.
4. If in the case of elections no simple majority of votes is obtained in the first ballot, a second ballot will take place between the two persons having obtained the most votes. The person who obtains the majority of votes in the second ballot has won the election.

III.

Financial Statements and Distribution of Profits

§ 20

Financial Statements

1. During the first three months of the fiscal year, the management board shall prepare the financial statements and the status report for the company, as well as the consolidated group financial statements and the group status report for the past year and submit same documents then without delay to the supervisory board. At the same time, the management board must submit to the supervisory board its intended proposal to the shareholders' meeting for the use of the annual profits.
2. The supervisory board shall appoint the auditor for both the financial statements and the group financial statements. The auditor shall sign its audit report and present it to the supervisory board. The management board shall be given an opportunity to comment on the report before it is delivered to the supervisory board.
3. The supervisory board shall review the financial statements, the status report and the management proposal for the use of the annual profits as well as the consolidated group financial statements and the group status report and shall report the result of the review to the shareholders' meeting in writing. The supervisory board shall deliver its report to the management board within one month after receiving the documentation.

§ 21

Distribution of Profits

1. The shareholders' share in profits is calculated based on their share in the share capital. The shareholders' meeting can resolve that there shall be instead or in addition to a cash dividend a dividend in kind.
2. In case of a share capital increase, the profit-sharing of newly issued shares may be determined deviating from Section 60 AktG.

§ 22

Dividend Advance

Upon the end of a fiscal year and subject to the consent of the supervisory board, the management board may pay a dividend advance on the expected annual profits to the shareholders in accordance with Section 59 AktG.

**IV.
Final Provisions**

§ 23

Amendments to Articles of Association

The supervisory board is entitled to resolve on amendments to the articles of association only with regard to their wording.

§ 24

Costs of Incorporation

The costs of incorporation (costs of transformation) amounting to a maximum of EUR 28,600 shall be borne by the company.

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